

Provided Pursuant to Sections 4-404 and 5-108 of the Public Utilities Act

June 30, 2014

Via U.S. Mail and Email

Darin R. Burk
Manager – Pipeline Safety
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62701

Re: Result of the extent of condition review of missing pressure test - NOPV #2014-V001-00007
Inspection #2014-P-00040

Reference: 1. Letter from DR Burk (ICC) to WS Evans (NSG) dated February 27, 2014
2. Letter from TJ Webb (NSG) to DR Burk (ICC) dated March 31, 2014

Dear Mr. Burk:

In Reference 1, the Illinois Commerce Commission (ICC) issued a Notice of Probable Violation (NOPV) to North Shore Gas Company (NSG). The Reference states:

During that audit, our Analysts observed the following probable violations with reference to Part 192 of the Federal Regulations for the transportation of Natural Gas.

CFR §192.517 titled: “**Records**”, states in paragraph (b), Each operator must maintain a record of each test required by §§192.509, 192.511, and 192.513 for at least 5 years

With reference to the requirements included in **CFR §192.509** titled: “**Test requirements for pipelines to operate below 100 psig**” states, “Except for service lines and plastic pipelines, each segment of a pipeline that is to be operated below 100 psi (680 kPa) gage must be leak tested in accordance with the following:

- (a) The test procedure used must ensure discovery of all potentially hazardous leaks in the segment being tested.
- (b) Each main that is to be operated at less than 1 psi (6.9 kPa) gage must be tested to at least 10 psi (69 kPa) gage and each main to be operated at or above 1 psig must be tested to at least 90 psi (621 kPa) gage.”

Reference 1 further states:

At 3713 Atlantic Ave, Gurnee, Work Request 1231443- On 7/15/2013, a North Shore crew replaced a 2" valve on a 2 inch steel main. The crew installed (2) 1 1/8 service tees to use as a bypass. They also installed a 2" S.A.V. valve, 2" valve, and a 2" weld insulator.

Pressure test documentation only indicated a soap test was performed.

Staff is requiring North Shore Gas to review all locations where testing of pipe occurred in 2013, and report back to Staff their findings, along with corrective action(s).

In Reference 2, NSG responded to this violation in part by stating:

North Shore Gas will perform an extent condition review to determine if other pressure test were not documented during the calendar year 2013. North Shore Gas will submit the result of the extent condition review and a schedule to resolve the missing documented pressure test no later than June 30, 2014.

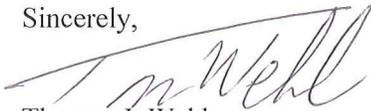
The following table summarized the results of the review and schedule of resolution.

Summary of Lacking/Inconsistent Pressure Test Documentation:

	Count	Documentation of pressure test required by NSG Procedure?	Corrective Action/Plan schedule
Mains	4	Yes	NSG will re-pressure test or remove pipe/fittings and document a pressure test on the new configuration. To be completed by Dec 31, 2014.
Fittings (Work Prior to 8/1/13)	47	No	NSG revised its procedure to require documentation of pressure tests on all fittings. Tailgates have been held on the change and additional reviews have been implemented to assure all pressure test are documented.
Fittings (Work After to 8/1/13)	58	Yes	NSG will re-pressure test or remove pipe/fittings and document a pressure test on the new configuration. To be completed by Dec 31, 2015. Additionally NSG has implemented additional controls to assure pressure tests are documented as required by procedure

Please contact me at your convenience if you have any questions regarding this matter.

Sincerely,



Thomas J. Webb
Compliance Manager
The Peoples Gas Light and Coke Company
North Shore Gas Company
312-240-4650